

## **REG-29-007 QUALITY JOBS ACT -- WAGE BENEFIT CREDIT**

007.01 The wage benefit credit shall be withheld by the company from the employee's compensation in the normal manner for state income tax withholding.

007.01A The wage benefit credit may be withheld only when the company exceeds the required levels of investment and employment for the year.

007.01B The amount withheld shall not be required to be paid over to the state and shall not constitute part of the trust fund or be owned by the state.

007.01C The amount withheld shall be paid or applied by the company in the manner designated in writing by the employee or as jointly agreed to in writing by the employee and the company.

007.01C(1) The company shall design a form for the making of the designation or agreement. The company must obtain the approval of the Department before using the form.

007.02 For purposes of the withholding reporting provisions of sections 77-2754 and 77-2756, the company shall report the wage benefit credit to the state and to the employee as a wage benefit credit separate from other income tax withholding.

007.03 If the wage benefit credit for any year exceeds five percent (5%) of the total compensation paid to all employees at the project, other than base-year employees, the amount retained in excess of five percent shall be paid to the Department of Revenue in the same manner as withholding under section 77-2756.

007.04 If any amount designated by the employee as a wage benefit credit has been through error or otherwise improperly paid to the state, it shall be refunded to the company who paid it upon application for refund filed within three years after payment.

007.05 If the wage benefit credit withheld by the company exceeds the nonrefundable credit allowed the employee as calculated in this subsection, the company shall refund the difference to the employee.

007.05A The company may request verification or substantiation of the amount claimed. Such verification or substantiation shall be confidential and used only for the determination of the claim filed by the employee.

007.06 A company shall notify employees individually in writing at the time the company reports the wage benefit credit to the employee of the right to claim a refund under this subsection by April 1 of each year.

007.06A The claim for the refund from the company shall be made by September 1 of the year when the employee files his or her individual income tax return or fifteen days after the employee files such tax return, whichever is later.

007.06B The company shall pay the refund to an employee within thirty days after the date a claim is filed.

(Section 77-2756, R.S.Supp., 1998, and sections 77-4921, 77-4927, and 77-4932, R.R.S. 1996. November 11, 1998.)